



FATHOM NICKEL ANNOUNCES THE CLOSING OF THE FIRST TRANCHE OF PRIVATE PLACEMENT

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Calgary, Alberta - **December 24, 2024** – Fathom Nickel Inc. (CSE: FNI) (FSE: 6Q5) (OTCQB: FNICF) (the "**Company**" or "**Fathom**") is pleased to announce that it has closed the first tranche of its non-brokered offering of flow-through units and non flow-through units (the "**Offering**"), previously announced on November 15, 2024. Pursuant to the Offering, the Company issued 8,550,000 flow-through common share units (the "**FT Units**") at a price per FT Unit of \$0.04 for gross proceeds of \$342,000, and 1,600,714 non-flow through Units (the "**NFT Units**") at a price per NFT Unit of \$0.035 for gross proceeds of \$56,025. Combined gross proceeds for this initial closing of the Offering was \$398,025. The second tranche of the Offering is expected to close in mid-January 2025.

Each NFT Unit consists of one common share of Fathom (a "**Common Share**") and one-half of a transferable Common Share purchase warrant (a "**Warrant**"). Each full Warrant shall be exercisable into one Common Share for a period of 36 months from issuance at an exercise price of C\$0.07.

Each FT Unit consists of one Common Share issued on a "flow-through" basis and one-half of a Warrant.

The FT and NFT Units issued under the Offering were issued under the listed issuer financing exemption set forth under section 5A.2 of National Instrument 45-106 *Prospectus Exemptions* ("**Listed Issuer Exemption**") and contain no resale restrictions.

The gross proceeds of the flow-through portion of the Offering will be used by the Company to incur eligible "Canadian exploration expenses" that will qualify as "flow-through mining expenditures" as such terms are defined in the *Income Tax Act* (Canada) (the "**Qualifying Expenditures**") related to the Company's Albert Lake Project and the Gochager Lake Project which are located in Saskatchewan, Canada on or before December 31, 2025. All Qualifying Expenditures will be renounced in favour of the subscribers effective December 31, 2024. The net proceeds of the Offering from the NFT Units will be used for exploration and development of the Company's mineral projects and for working capital and general corporate purposes.

As consideration for services in connection with the Offering, the Company has paid to certain qualified ("**Finders**") a cash commission of \$21,000 and issued 525,000 broker warrants ("**Broker Warrants**"). Each Broker Warrant will entitle the holder thereof to acquire one Common Share of the Company at a price of \$0.05 for a period of 36 months from issuance.

"We had a request to defer a part of the closing into fiscal 2025 from certain US-based investors and Finders. As a result, we decided to close on the FT Units prior to December 31, 2024 in order to ensure the tax benefits accrued to participants for the 2024 tax year but keep the NFT Units open into January 2025"

to accommodate these additional investors. The second tranche of NFT is expected to close in mid-January," stated Doug Porter, President & CFO.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Fathom is an exploration company that is targeting magmatic nickel sulphide discoveries to support the rapidly growing global electric vehicle market and to secure the supply of North American Critical Minerals.

The Company now has a portfolio of three high-quality exploration projects located in the prolific Trans Hudson Corridor in Saskatchewan: 1) the Albert Lake Project, a 90,000+ hectare project that was host to the historic and past producing Rottenstone Mine¹ (produced 28,724 tons @3.3% Ni, 1.8% Cu, 9.63 g/t 3E (Pd-Pt+Au) 1965-1969), and 2) the 23,000+ hectare Gochager Lake Project that is host to a historic, NI43-101 non-compliant open pit resource consisting of 4.3M tons at 0.295% Ni and 0.081% Cu², and 3) the 10,000+ hectare Friesen Lake Project located 40km southwest of the historic Rottenstone Mine and 30km northwest of the historic Gochager Lake deposit.

ON BEHALF OF THE BOARD

"Doug Porter"

President and CFO, Director

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Forward-Looking Statements:

This news release contains "forward-looking statements" that are based on expectations, estimates, projections and interpretations as at the date of this news release. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "seek", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur, and include, without limitation, completion of additional tranches of the Offering, date of closing of additional tranches of the Offering, payment of commissions and Broker Warrants

¹ The Saskatchewan Mineral Deposit Index (SMDI #0958) reports the production grades noted above from a small open pit. Fathom cannot confirm the production numbers nor a historic resource estimate that may have been in place ahead of production. The historic pit exists, and the Company trusts the production, as noted in SMDI #0958, to be accurate. The Company has performed test assaying of Rottenstone-type mineralization and results are consistent with production grades.

² The Saskatchewan Mineral Deposit Index (SMDI #0880) reports drill indicated reserves at the historic Gochager Lake Deposit of 4,262,400 tons grading 0.295% Ni and 0.081% Cu mineable by open pit. Fathom cannot confirm the resource estimate, nor the parameters and methods used to prepare the reserve estimate. The estimate is not considered NI43-101 compliant and further work is required to verify this historical drill indicated reserve.

under the Offering, regulatory approval of the Offering and use of proceeds from the Offering. Forward-looking statements relate to information that is based on assumptions of management, forecasts of future results, and estimates of amounts not yet determinable. Any statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be "forward-looking statements." Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation: risks related to failure to obtain adequate financing on a timely basis and on acceptable terms; risks related to the outcome of legal proceedings; political and regulatory risks associated with mining and exploration; risks related to the maintenance of stock exchange listings; risks related to environmental regulation and liability; the potential for delays in exploration or development activities or the completion of feasibility studies; the uncertainty of profitability; risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits; risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; results of prefeasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; risks related to commodity price fluctuations; and other risks and uncertainties related to the Company's prospects, properties and business detailed elsewhere in the Company's disclosure record. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances except in accordance with applicable securities laws. Actual events or results could differ materially from the Company's expectations or projections.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.